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# Industrial Development Board

Twenty-fourth session

SUMMARY RECORD OF THE 7th MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 22 June 2001, at 4 p.m.

*President*: Mr. HOSSEINI (Islamic Republic of Iran)

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*The meeting was called to order at 4.25 p.m.*

**INTRODUCTION OF DRAFT DECISIONS** (IDB.24/L.2-L.14)

1. **The PRESIDENT** said that a number of draft decisions discussed in informal consultations under the chairmanship of Mr. Pittaluga Fonseca (Uruguay) were before the Board.

2. **Mr. PITTALUGA FONSECA** (Uruguay), speaking as chairman of the informal consultations, said that the 13 draft decisions before the Board were the work of four meetings. Unfortunately, it had not been possible to reach consensus on a scale of assessments. Three main opinions had been expressed as to the scale that should be recommended to the General Conference. The European Union had proposed a scale of assessments based on columns 3 and 4 in the annex to document IDB.24/5; the Group of 77 and China, with the support of the Republic of Korea, had proposed a scale based on column 7 in that annex; and Japan had proposed a scale based on columns 5 and 6 in the same annex. It was proposed that a text to that effect should be inserted in chapter III D of the report of the session, on the scale of assessments for apportionment of the regular budget expenses.

3. **The PRESIDENT** said that he was submitting the 13 draft decisions approved by consensus in the informal consultations as drafts of the President for consideration by the Board.

**ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 2000 ON THE ACTIVITIES OF THE ORGANIZATION** (*continued*) (IDB.24/2 and Corr.1 and Add.1)

4. **The PRESIDENT** said that no draft decision had been submitted under the item. He proposed that the Board should take note of the documentation provided by the Secretariat on the subject.

5. *It was so decided.*

**REPORT OF THE PROGRAMME AND BUDGET COMMITTEE** (*continued*) (IDB.24/4, IDB.24/5, IDB.24/6, IDB.24/7 and Add.1, IDB.24/8, IDB.24/9, IDB.24/10, IDB.24/11, IDB.24/20, IDB.24/22 and IDB.24/25; IDB.24/CRP.2; IDB.24/L.2, L.3, L.4, L.5, L.6, L.11, L.12 and L.13)

6. **The PRESIDENT** said that eight draft decisions had been submitted under the item.

*Interim financial performance report and programme performance report for the biennium 2000-2001* (IDB.24/6)

7. **The PRESIDENT** said that no draft decision had been submitted under the subheading indicated above. He proposed that the Board should take note of the documentation provided by the Secretariat on the subject.

8. *It was so decided.*

*Financial situation of UNIDO* (IDB.24/8; IDB.24/CRP.2; IDB.24/L.6 and L.13)

9. **The PRESIDENT** drew attention to draft decision IDB.24/L.6.

10. *The draft decision was adopted.*

11. **The PRESIDENT** drew attention to draft decision IDB.24/L.13, entitled "Financial situation, including arrears—terms of payment plan for Ukraine".

12. **Mr. PITTALUGA FONSECA** (Uruguay), speaking as chairman of the informal consultations, said that paragraph (f) of the draft decision should read: "Notes that the payment plan, which is subject to the timely payment of arrears, should be agreed as close as possible to a five-year period but not exceed a term of 15 years".

13. **Mr. UMER** (Pakistan) thought that the reference to "a five-year period" in paragraph (f) was confusing. It would be sufficient to say "should not exceed a term of 15 years".

14. **Mr. PITTALUGA FONSECA** (Uruguay), speaking as chairman of the informal consultations, said that reference needed to be made to the maximum period of five years laid down in document IDB.19/12. The present decision constituted an exception to that time frame.

15. **Mr. SHOUKRY** (Egypt) proposed the wording "within a period of 5 to 15 years".

16. **Mr. FREEMAN** (United Kingdom) said that that would give the misleading impression that it was a matter of indifference when, within the time frame of between 5 and 15 years, the arrears were paid. The existing formulation should be retained.

17. **Mr. UMER** (Pakistan) said that he would withdraw his proposal. However, in the light of paragraph (e), he thought that the word "agreed" in paragraph (f) should be deleted.

18. **Mr. PAULINICH** (Peru) said that the deletion of the word "agreed" would represent a vote of confidence in the Director-General.

19. **Mr. PITTALUGA FONSECA** (Uruguay), speaking as chairman of the informal consultations, agreed that the word "agreed" could be deleted.

20. *It was so decided.*

21. *Draft decision IDB.24/L.13, as orally revised and amended, was adopted.*

*Programme and budgets, 2002-2003* (IDB.24/3 and IDB.24/22; IDB.24/L.2)

22. **The PRESIDENT** drew attention to draft decision IDB.24/L.2.

23. *The draft decision was adopted.*

*Scale of assessments for apportionment of the regular budget expenses* (IDB.24/5; IDB.24/L.12)

24. **The PRESIDENT** drew attention to draft decision IDB.24/L.12, entitled "Scale of assessments for Member States".

25. *The draft decision was adopted.*

*Working Capital Fund for the biennium 2002-2003* (IDB.24/4; IDB.24/L.3)

26. **The PRESIDENT** drew attention to draft decision IDB.24/L.3.

27. *The draft decision was adopted.*

*Financial regulations* (IDB.24/11; IDB.24/L.4)

28. **The PRESIDENT** drew attention to draft decision IDB.24/L.4.

29. **Mr. PITTALUGA FONSECA** (Uruguay), speaking as chairman of the informal consultations, said that the words "with a view to submitting" in paragraph (d) should read "to submit".

30. *The draft decision, as revised, was adopted.*

*Introduction of the euro* (IDB.24/10; IDB.24/L.5)

31. **The PRESIDENT** drew attention to draft decision IDB.24/L.5.

32. *The draft decision was adopted.*

*Follow-up to the report of the External Auditor for the biennium 1998-1999* (IDB.24/9)

33. **The PRESIDENT** said that no draft decision had been submitted under the subheading. He proposed that the Board should take note of the documentation provided by the Secretariat on the subject.

34. *It was so decided.*

*Appointment of external auditor* (IDB.24/7 and Add.1; IDB.24/L.11)

35. **The PRESIDENT** said that, rather than resorting to the voting procedure, he was intending to continue the informal consultations he had conducted with the candidates' delegations with a view to coming up with an appropriate recommendation for the General Conference. He was thus submitting for consideration by the Board the draft decision contained in document IDB.24/L.11.

36. **Mr. UMER** (Pakistan) proposed that the word "informal" before the word "consultations" in paragraph (c) should be deleted.

37. *It was so decided.*

38. *The draft decision, as amended, was adopted.*

**FINANCING UNIDO PROGRAMMES, INCLUDING NEW INITIATIVES FOR FUNDS MOBILIZATION** (*continued*) (IDB.24/19)

**ENVIRONMENT-RELATED ACTIVITIES** (*continued*) (IDB.24/12)

**FIELD REPRESENTATION** (*continued*) (IDB.24/15; IDB.24/CRP.5)

**INDUSTRIALIZATION OF THE LEAST DEVELOPED COUNTRIES** (*continued*) (IDB.24/16 and Add.1)

39. **The PRESIDENT** said that as no draft decisions had been submitted under those four items, he proposed that the Board should take note of the documentation provided by the Secretariat.

40. *It was so decided.*

**ADMINISTRATIVE MATTERS** (*continued*) (IDB.24/13; IDB.24/CRP.4; IDB.24/L.7)

41. **The PRESIDENT** drew attention to draft decision IDB.24/L.7 on "Personnel matters". The names of any further candidates proposed by delegates from

the Latin American and Caribbean Group (GRULAC) or list D for the post of alternate member of the Staff Pension Committee for the biennium 2002-2003 would be inserted at a later date.

42. *On that understanding, the draft decision was adopted.*

**ACTIVITIES OF THE JOINT INSPECTION UNIT** (*continued*) (IDB.24/18; IDB.24/L.14)

43. **The PRESIDENT** drew attention to draft decision IDB.24/L.14.

44. *The draft decision was adopted.*

**MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS** (*continued*) (IDB.24/24 and Add.1; IDB.24/L.8)

45. **The PRESIDENT** drew attention to draft decision IDB.24/L.8, on "Applications from non-governmental organizations for consultative status".

46. *The draft decision was adopted.*

**PREPARATIONS FOR THE NINTH SESSION OF THE GENERAL CONFERENCE** (*continued*) (IDB.24/21; IDB.24/CRP.8; IDB.24/L.9)

47. **The PRESIDENT** drew attention to draft decision IDB.24/L.9.

48. *The draft decision was adopted.*

**PROVISIONAL AGENDA AND DATE OF THE TWENTY-FIFTH SESSION** (*continued*) (IDB.24/CRP.3; IDB.24/L.10)

49. **The PRESIDENT** drew attention to draft decision IDB.24/L.10.

50. *The draft decision was adopted.*

**ADOPTION OF THE REPORT** (IDB.24/L.1)

51. **Mr. JANSSENS DE BISTHOVEN** (Belgium), Rapporteur, introducing document IDB.24/L.1, said that it merely represented the framework of the report. The final version would be compiled in close consultation with the Friends of the Rapporteur and would duly reflect the proceedings of the session.

52. **The PRESIDENT** said that, if he heard no objection, he would take it that the Board wished to adopt the draft report as a whole on the understanding that the Rapporteur would finalize it in consultation with the Friends of the Rapporteur as soon as possible after the closure of the session.

53. *It was so decided.*

**CLOSURE OF THE SESSION**

54. **Mr. SPINA** (President of the Staff Council) congratulated the Board on its decision to recommend to the General Conference the reappointment of the current Director-General, Mr. Carlos Magariños. It would have been beyond the powers of any mortal, however brilliant or dynamic, to transform UNIDO in only four years. The staff of UNIDO therefore believed that, for its own reasons, the Board had made its choice and the staff had no doubt that, after four more years, a totally new UNIDO would emerge, one attuned to the needs of developed and developing countries alike. Staff congratulated the Director-General. He was still young and no doubt had a brilliant career ahead. Staff pledged to continue supporting, as they had been doing during his first term of office, the Director-General's efforts to make UNIDO a more transparent and efficient organization, and to continue the recently started dialogue on how best to develop and implement a transparent and therefore credible human resources management framework. One element of that framework would address the issue of career development of staff in both the General Service and Professional categories. The majority of UNIDO's staff members were older than the Director-General. That did not, however, mean that they believed their careers had come to an end. Just like their Director-General, they still had their aspirations and sometimes dreams. The Staff Council asked the Director-General to pledge his support for the advancement of his staff's careers.

55. **Mr. FREEMAN** (United Kingdom) congratulated Mr. Magariños on his election as the candidate for a further term as Director-General. Under his stewardship, important work lay ahead of the Organization. All Member States and the Secretariat must rededicate themselves to the process of reform and modernization of the Organization, further developing its focus in ways appropriate to the first years of the twenty-first century. With that in mind, the United Kingdom, and specifically its Department for International Development, had, in consultation with the Secretariat and others, developed an institutional strategy paper on UNIDO, pointing the way for the future of the Organization as seen through the eyes of the United Kingdom. He invited delegations to study the paper, which was available at the documents desk.

56. **Mr. AYELE** (Ethiopia) thanked the President for his skilful conduct of the session and congratulated Mr. Magariños on his election. His delegation was confident that the Director-General would be able to implement planned programmes, ensure the due

representation of Africa in higher levels of management and upgrade some field offices to subregional offices.

57. It had been very encouraging to hear the concerns expressed by Africa's development partners about the difficulties that Africa in general and the least developed countries in particular were experiencing. His delegation wished to thank Japan, the European Union and others that had demonstrated their readiness to strengthen North-South cooperation. The African countries would do their utmost to cooperate with UNIDO in the interests of the development of their continent.

58. **Mr. HASSAN** (Sudan), speaking on behalf of the African Group, congratulated the Director-General on his election. The nomination of an African candidate for the post of Director-General had been an expression of the African countries' commitment to the objectives of UNIDO.

59. All the regional groups and the Group of 77 and China had stressed their interest in promoting the industrial development of the developing countries, in particular the least developed countries. The African Group was confident that the Director-General and UNIDO would continue their commitment to the industrialization of Africa. The African Group urged all Member States to support the Director-General in his efforts to complete the transformation of UNIDO and implement its objectives.

60. **Mr. PAULINICH** (Peru), speaking on behalf of GRULAC, congratulated the Director-General on his election. GRULAC was confident that, under the Director-General's wise guidance, UNIDO would continue the reform process. The reappointment of the Director-General would ensure the consistency of the Organization's activities and help the developing countries meet the challenge of sustainable development with the cooperation of all Member States. UNIDO must encourage South-South cooperation among Asia, Latin America and Africa; those regions had clearly demonstrated their unconditional commitment to the Organization.

61. **Mr. UMER** (Pakistan) congratulated Mr. Magariños on his election. Thanks to the Director-General's dedication and ability, the future of UNIDO was assured. However, the Organization's dwindling resources made it difficult for it to meet the increasing demands of Member States. His delegation hoped that the Director-General's experience and dedication to the cause of the sustainable development of the developing countries would enable him to strike a balance between the scarcity of resources and the expectations of Member States.

62. Although UNIDO and the donor countries had repeatedly stressed that Africa was a priority, the facts and figures did not support that assertion. Africa's needs and concerns must be fully met and its priority status must be reflected in actual delivery of technical cooperation. Asia was also a very poor continent, and many of its countries were in dire need of development assistance. While his delegation recognized and accepted the Organization's priorities, it hoped that Asia would also receive due attention.

63. **Mr. PALACIOS CEVALLOS** (Ecuador) congratulated Mr. Magariños on his election. Through his skill and tireless efforts, the Director-General had transformed UNIDO into a new and dynamic organization with a clear vision of its role in the twenty-first century. His delegation hoped that the Director-General would conduct a consistent policy in keeping with the relevant decisions of the Organization, as a contribution to creating a fairer world, especially for the developing countries, and promoting a spirit of harmony and international cooperation.

64. **Mr. TOUQ** (Observer for Jordan), speaking on behalf of the Asian Group, congratulated the Director-General on his election and hoped that he would continue his successful leadership of UNIDO in the interests of all Member States.

65. **Mr. BERG** (Sweden), speaking on behalf of the European Union, expressed his congratulations to the Director-General on his election and wished him success in continuing to carry out reforms in UNIDO. He thanked the President and the Bureau for their excellent conduct of the session.

66. **Mr. MAGARIÑOS** (Director-General) thanked Member States and the regional groups for their support and confidence. He would continue to place priority on the industrial development of Africa and the least developed countries and would work closely with the regional groups in order to maintain the existing spirit of harmony and cooperation. The success of the past four years had been due to UNIDO's implementation of its Business Plan, and he would continue consultations in order to ensure that UNIDO had a clear and well-defined framework for its activities. While the Organization would pursue its efforts to help Africa and the least developed countries combat poverty and marginalization, it would also address the problems of middle-income countries.

67. **The PRESIDENT** declared the twenty-fourth session of the Industrial Development Board closed.

*The meeting rose at 5.35 p.m.*